

FISCAL NOTE

SB 2495 - HB 2553

February 10, 2000

SUMMARY OF BILL: Requires every school system to establish or make available an alternative school for students suspended or expelled in grades Kindergarten - 6. Present law requires at least one alternative school be established for students in grades 7-12. Alternative schools for grades K-6 are optional.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures* - Exceeds \$500,000

Estimate assumes:

- Such increased expenditures will depend on the number of additional alternative schools that will be required under the provisions of the bill.
- The BEP formula already contains an alternative school component which funds each system at \$2.47 per total K-12 ADM plus \$20.74 per ADM in grades 7-12. This generated a statewide total of approximately \$10.9 million in the BEP formula for 1998-99 for LEAs.
- A 1998 Office of Education Accountability survey indicated that alternative schools were costing approximately \$22 million; therefore, school systems are already taking funding from other sources, or providing the additional funds locally.
- In 1998-99 there were 107 K-6 students suspended or expelled.
- At present, the average cost per placement for alternative schools is approximately \$6,000. Assuming that alternative schools for K-6 could be provided at the same cost per student, local government expenditures are estimated to increase in an amount exceeding \$500,000. (Assumes that some of these children may already be in a K-6 alternative school.)
- Some systems may have very few or no children in this age group who would be suspended or expelled, which would result in a greater cost per child if a system is required to provide a teacher, classroom, etc. for one or two children.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director